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An Overview of Clark County's 2014 Annual Trending

The following steps were taken to conduct the 2014 annual trending Clark County:

General Overview:

Overall the Clark County market remains relatively unchanged, with some increased activity in residential subdivisions that were platted a few years ago. Overall the number of sales has increased. Home sales are occurring, however there is little to no consistency in occurring sales trends. Foreclosures and short sales have tapered off but do remain in certain areas. Some areas continue to experience small losses, while some have experienced small gains. Construction of new homes has rebounded as well but it remains concentrated in areas that were platted a few years back and are now really beginning to take shape. Overall I would still rate the market as being flat but showing some signs of return, especially in the new housing developments. Commercial and Industrial activity remains soft. The new housing starts are predominately being constructed by developers/builders with very little to no custom built projects. As a result, vacant land sales are almost non-existent. Within the planned neighborhood development areas, developers are just transferring lots to other developers/builders. For the entire trending process sales from 1/1/2013 through 2/28/2014 were used. Sales from 2012 were used were utilized in the improved residential analysis (Oregon and Owen Township), the vacant residential analysis (Jeffersonville & Utica Townships) as well as the Commercial Vacant and Industrial Improvement studies as there was virtually no activity during the 2013/2014 time frame for these areas. There was no time adjustment of any sales, due to the inconsistency in sales prices throughout the county and the minimal amount of data available. Selling prices were related more to the individual properties and locations as opposed to time.

The newly updated depreciation year and the revised location code multiplier (LCM) were implemented as directed. Sales were the primary base for any neighborhood changes within the residential market. Additional information such as appealed properties and the net result of the cost table updates and location code multiplier change was also taken into consideration when determining the appropriate neighborhood/market adjustment factor.

Land Values:

Land base rates were reviewed and as a whole were left unchanged. Where necessary, a few neighborhoods incurred minimal changes based upon recent sales information. The new agricultural land rate has also been implemented.

Market Adjustment Factors (Residential):

Clark County has approximately 490 residential neighborhoods defined. As a result of the depreciated year change and LCM change almost every parcel was affected in some manner. As stated above, the number of sales transactions has increased. The percentage of value change is not constant throughout the entire county.

When a neighborhood required trending but had less than 5 sales, comparable neighborhoods were utilized. Below is a listing of neighborhoods that were grouped together to achieve a minimum of five (5) sales so they could be trended appropriately.

Compared Neighborhoods

| | | | | |
|----------|----------|----------|----------|----------|
| Grouping | 10035003 | 10035009 | | |
| Grouping | 10045137 | 10045144 | | |
| Grouping | 10045139 | 10045153 | | |
| Grouping | 10045187 | 10045191 | | |
| Grouping | 10055006 | 10055008 | 10055010 | |
| Grouping | 10085019 | 10085026 | | |
| Grouping | 10085027 | 10085030 | | |
| Grouping | 10085035 | 10085022 | | |
| Grouping | 10085041 | 10085043 | | |
| Grouping | 10095004 | 10095013 | | |
| Grouping | 10105040 | 10105064 | 10105070 | |
| Grouping | 10105018 | 10105065 | | |
| Grouping | 10105086 | 10105084 | | |
| Grouping | 10105092 | 10105087 | | |
| Grouping | 10095022 | 10095023 | | |
| Grouping | 10044080 | 10044081 | 10044082 | 10044083 |
| Grouping | 10105071 | 10105076 | 10105082 | |
| Grouping | 10035050 | 10035051 | 10035061 | |
| Grouping | 10045046 | 10045120 | | |
| Grouping | 10045062 | 10045061 | 10045063 | |
| Grouping | 10045163 | 10045172 | | |
| Grouping | 10045194 | 10045186 | | |

Cost Table Updates (Commercial/Industrial):

The new depreciation year and LCM update was the starting point for updating commercial and industrial improvement values. With very limited number of sales and a flat C & I economy, there wasn't much change in this grouping. Some new construction has taken place, especially within the River Ridge Development area which has seen many new large distribution and manufacturing facilities locate to the area. With the limited number of sales, especially in the smaller townships, this resulted in the combination of all other townships (county wide). Sales for industrial properties are almost non-existent, thus sales from last year's ratio study were utilized. The COD is extremely low but this is the result of so few sales. There were only 2 sales occurring this year. Parcels that transacted last year experienced change based solely on the updated depreciation year. COD within the Improved Industrial area is only 4.318%, but this is an increase from last year's study which reflected a COD of 1.471%. Once again, this statistic has very little meaning due to the very limited number of sales.

Use of Sales information

Clark County is committed to utilizing as many valid sales as possible. As stated above, sales from January 1, 2013 through February 28, 2014 were used. Within the analysis of the improved residential (Oregon and Owen Township), vacant residential (Jeffersonville township and Utica township) as well as the commercial vacant and improved industrial studies, the time frame was expanded to ensure a sufficient number of sales. There are a total of 1478 sales, of which 60 are multiple parcel sales used collectively throughout the study. This is approximately an 18% increase in the total number of sales used over last year's study. Submitted with the county's study is a file titled, "Clark Ratio Study Reconciliation File". This file contains 2 worksheets, 1. Trimmed sales – sales that were originally marked as being valid but not used and 2. a listing of parcels that were used but on the DLGF validated reconciliation list. **Residential Improved:** The townships of Bethlehem and Washington were combined due to lack of activity. The same occurred in 2012 and 2013. The townships of Oregon and Owen utilized 2012 sales to ensure at least 5 sales within the township. **Residential Vacant:** There were a very limited number of actual valid sales within this group. The county had originally indicated that there were more valid sales within this group. However during the review process it was deemed that the majority of these were transfers from one developer/builder to another developer/builder. **Commercial Improved:** All of the townships were combined for a county wide study with the exception of Jeffersonville. Sales activity was approximately the same as last year. **Commercial Vacant:** The entire county was grouped together for statistical analysis. Sales within this grouping have historically been limited and 2013/2014 was no exception. **Industrial Improved:** There are only 3 townships (Jeffersonville, Silver Creek and Utica) that have more than twenty-five (25) properties classified as industrial improved. Only 2 sales occurred within the 2013/2014 timeframe. Sales utilized in last year's study (2011 & 2012) were used to ensure at least five (5) sales for the study. There are only a total of 177 parcels classified as such within the county. As a result of using last year's study sales and the significantly small sample size, the COD for this study is extremely low. Once again, the COD increased from last year's study of 1.471% to this year's results of 4.318%. **Industrial Vacant:** Only the township of Jeffersonville has more than twenty-five (25) parcels assigned to this classification. Once again there was zero (0) sales activity within this grouping. For reporting purposes, the vacant commercial analysis is being reported for this township.

Clark County is committed to using as many sales as possible during the trending process and has taken steps to ensure that the sales used provides the most accurate information relating to the housing and commercial/industrial market within the county.